Message Text

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FOR GEWECKE

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: OECD TRADE COMMITTEE

REF: AHMAD - GEWECKE TELCON OF SEPTEMBER 9

FOLLOWING IS TEXT OF LETTER FROM GEIMER AND FEKETEKUTY TO FRAU STEEG AUGUST 16, 1976.

1. WHEN WE MET WITH YOU IN PARIS ON JULY 1, WE EXPRESSED OUR SUPPORT FOR YOUR DETERMINATION TO INFUSE THE OECD TRADE COMMITTEE WITH NEW LIFE AND SERIOUS PURPOSE. WE ARE WRITING TO RESTATE OUR SUPPORT FOR YOUR LEADERSHIP IN THIS DIRECTION, AND TO OFFER TWO SUGGESTIONS.

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2. FIRST, WE WOULD LIKE TO SEE AN EXAMINATION OF THE

ROLE THAT THE TRADE COMMITTEE SHOULD PLAY IN THE ANALYSIS OF SIGNIFICANT CURRENT DEVELOPMENTS IN TRADE (THOSE WHICH COULD CAUSE YNTERNATIONAL CONCERN), THE POTENTIAL POLICY ISSUES THAT ARISE FROM SUCH DEVELOPMENTS, AND THE POLICY MEASURES GOVERNMENTS ADOPT IN THE TRADE AREA. SUCH CONTINUOUS ANALYSIS WOULD, OF COURSE, FOCUS PRIMARILY ON TRADE AMONG OECD MEMBER COUNTRIES. OUR WORK ON THE FUTURE OF THE TRADE PLEDGE WILL UNDOUBTEDLY BEAR A CLOSE RELATIONSHIP TO THE ROLE WE SHOULD SEEK FOR

THE COMMITTEE IN SUCH AN EVALUATION OF CURRENT ISSUES. IT MAY ALSO BE USEFUL FROM TIME TO TIME TO CONSIDER DEVELOPMENTS IN TRADE WITH THE DEVELOPING COUNTRIES.

- 3. SECOND, WE ALSO CONTINUE TO BELIEVE THAT THE COMMITTEE SHOULD AT LEAST ATTEMPT TO DO SOME SERIOUS ANALYTICAL WORK ON MAJOR ISSUES. THE RECENT MEETING OF THE COMMITTEE INDICATED THAT OTHER COUNTRIES SHARE THIS VIEW, AND OUR IMPRESSION FROM OUR CONVERSATION WITH YOU WAS THAT YOU WERE CONSIDERING EXERTING YOUR LEADERSHIP ALONG THESE LINES.
- 4. THERE ARE SEVERAL TOPICS WHICH MIGHT BE APPROPRIATE FOR SUCH AN UNDERTAKING, SOME OF WHICH HAVE ALREADY BEEN SUGGESTED BY OTHER COUNTRIES. AS AN EXAMPLE OF OUR OWN, WE THINK IT WOULD BE USEFUL FOR THE COMMITTEE TO CONDUCT A THOROUGH STUDY OF THE ECONOMIC BASIS FOR THE VARIOUS FORMS OF SPECIAL AND DIFFERENTIAL TREATMENT WHICH HAVE BEEN ADVANCED FOR DEVELOPING COUNTRIES. THIS STUDY WOULD LOGICALLY ADDRESS THE PROBLEM OF HOW DEVELOPING COUNTRIES WOULD GRADUALLY ACCEPT INTERNATIONAL RESPONSIBILITIES CONSISTENT WITH THEIR LEVEL OF DEVELOP-MENT. HOPEFULLY, SUCH A STUDY WOULD LEAD TO A CONSENSUS ON GENERAL PRINCIPLES WHICH WOULD HELP MEMBER STATES IN EVALUATING AND DECIDING UPON SPECIFIC SPECIAL AND DIFFERENTIAL MEASURES. A RELATED TOPIC, WHICH IN OUR VIEW ALSO CALLS FOR MORE ANALYSIS. IS THE FUTURE OF THE GENERALIZED SYSTEM OF PREFERENCES, PARTICULARLY AS IT RELATES TO THE LONGER TERM LIBERALIZATION AND IMPROVEMENT OF THE INTERNATIONAL TRADING SYSTEM. LIMITED OFFICIAL USE

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5. IF YOU ARE INCLINED TO TAKE AN INITIATIVE OF THIS TYPE, YOU MIGHT WANT TO CONSIDER MEETING IN BONN IN OCTOBER WITH A SMALL GROUP OF COUNTRIES WHO ARE LIKELY TO ASSIST YOU ACTIVELY. CANADA MIGHT BE INVITED BECAUSE OF THEIR INTEREST IN STUDYING THE ROLE OF MULTINATIONAL CORPORATIONS IN WORLD TRADE. SWTIZERLAND EXPRESSED AN INTEREST IN ANALYZING THE RELATIONSHIP BETWEEN

MONETARY AND TRADE ISSUES AND JAPAN HAS SUGGESTED AN EXAMINATION OF WAYS OF EQUITABLY ALLOCATING THE BURDEN OF ADJUSTMENT TO SHIFTS IN COMPARATIVE ADVANTAGE IN , FAVOR OF DEVELOPING COUNTRIES. THESE THREECOUNTRIES, ALONG WITH THE EC, SHOULD PROBABLY ALSO BE PARTICIPANTS.

6. AT SUCH A MEETING WE MIGHT CONSIDER WHETHER THE COMMITTEE REALLY CAN DO USEFUL ANALYTICAL WORK AND, IF SO, WHETHER IT IS TIMELY AND APPROPRIATE TO INTRODUCE SOME OR ALL OF THE TOPICS MENTIONED ABOVE. IF

IT WERE TO BE DECIDED TO MOVE FORWARD ON ANY OF THESE SUBJECTS, A FORMULA MIGHT BE FOUND TO PLACE THESE SUBJECTS ON THE AGENDA FOR THE NOVEMBER 25-26 MEETING, AND TO CIRCULATE ANY RELEVANT PAPERS TO MEMBERS OF THE COMMITTEE WELL IN ADVANCE OF THE MEETING.

- 7. YOU MIGHT ENCOURAGE THE COUNTRIES WHO EXPRESSED AN INTEREST IN PARTICULAR TOPICS TO BEGIN PRELIMINARY PAPERS ON THE SUBJECTS OF INTEREST TO THEM. FOR OUR PART WE WOULD BE WILLING TO BRING PAPERS ON THE ISSUES OF SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES, THE RELATIONSHIP BETWEEN GSP AND THE WORLD TRADING SYSTEM AND THE ROLE OF THE TRADE COMMITTEE IN THE REVIEW OF CURRENT TRADE DEVELOPMENTS.
- 8. WE LOOK FORWARD TO RECEIVING YOUR REACTION TO OUR SUGGESTIONS, AND ANY ALTERNATIVE IDEAS WHICH YOU MIGHT HAVE HAD SINCE OUR LAST MEETING. IF YOU THINK AN ADDITIONAL PRELIMINARY CONVERSATION MIGHT BE HELPFUL, WE WOULD BE AVAILABLE TO MEET WITH YOU IN BONN TOWARD THE END OF THE WEEK OF SEPTEMBER 13. KISSINGER

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